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OFFICE OF MANAGEMENT AND BUDGET
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POLICY LETTER NO. 79-4

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Contracting for Motion Picture Productions and Videotape
Productions

1. Purpose. This Policy Letter directs the establishment of a uniform Government-wide system for contracting for motion picture and videotape productions. It replaces Policy Letter 78-5 issued by the Office of Federal Procurement Policy (OFPP) on August 28, 1978.
2. Background. Beginning in the early 1970's, various management studies were made of the Government's audiovisual contracting programs. These studies indicated widespread dissatisfaction with the policies and procedures followed by Federal agencies and departments in contracting for the production of audiovisuals, particularly motion pictures. OFPP Policy Letter 78-5 corrected many of the motion picture contracting problems noted in the studies and established a Government-wide system for contracting for motion pictures. Since the issuance of Policy Letter 78-5, members of the audiovisual industry, Congress, and individual Federal agencies have urged OFPP to develop a similar system for videotape productions. This policy letter responds to those suggestions and establishes a Government-wide system for both motion picture and videotape productions.
3. Policy. Executive agencies and departments shall use the uniform Government-wide system described in paragraph 7 below in contracting for motion picture and videotape productions. The uniform system is intended to:
 - a. Reduce waste and inefficiency inherent in many existing departmental and agency contracting procedures;
 - b. Ensure that the Government obtains quality motion picture and videotape productions at fair, competitive prices;
 - c. Provide a central point within the Government where producers can obtain information on motion picture and videotape contracting procedures and opportunities; and
 - d. Increase competition for Government contracts.

4. Implementation. The General Services Administration and the Department of Defense shall make such changes to the Federal Procurement Regulations and the Defense Acquisition Regulation as are necessary to make the uniform contracting system operational on March 31, 1980. The motion picture contracting system required by this policy letter was initially implemented on March 30, 1979, by Policy Letter 78-5. That system shall continue in effect until March 31, 1980, when solicitations and awards for both motion pictures and videotape productions shall be in accordance with the herein prescribed system. The Executive Agent shall take immediate steps to assure that the prescribed system is fully functional on March 31, 1980.

5. 8(a) Contracts. Contracts made pursuant to Section 8(a) of the Small Business Act will be handled in accordance with existing regulations and use of the uniform system is not required.

6. Definitions. As used in this Policy Letter:

a. "Motion picture production" refers to those productions in which the majority of the photographic and editorial work was accomplished in 8-mm, 16-mm, 35-mm, or 70-mm sound-on-film. It does not include videotape, sound slide, multi-media productions, or separate media services.

b. "Videotape production" refers to those productions in which the majority of the recording and editorial work was accomplished in magnetic videotape, videocassette, or videodisc. It does not include motion picture film, sound slide, or multimedia productions or separate media services.

c. "Federal Audiovisual Committee" refers to an interagency committee chaired by OFPP. The Committee is made up of representatives from more than 20 Federal agencies. Its purpose is to advise and assist in the formulation of Government-wide audiovisual policy.

d. "Executive Agent" refers to the Directorate for Audiovisual Management Policy of the Department of Defense. The Executive Agent is designated by OFPP and is responsible for administering and maintaining the motion picture and videotape contracting system. The Executive Agent also serves as the central information source about the system.

e. "Interagency Audiovisual Review Board" refers to a sub-group of the Federal Audiovisual Committee. It is chaired by the Executive Agent and is used to evaluate motion picture and videotape productions submitted by producers interested in obtaining Government contracts for motion picture and videotape work.

7. Uniform System.

a. Open Invitation. All persons and firms interested in producing Government motion picture or videotape productions are required to submit samples of their work to the Executive Agent. The Executive Agent will place notices, at least semi-annually, in the Commerce Business

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Applying to such work samples, the following rules will be placed in the trade press where feasible.

b. Submission of Work Samples.

(1) Producers interested in motion picture work must submit a 16-mm sound sample film that they have produced within the previous three years.

(2) Producers interested in videotape work must submit a sample program on 3/4 inch, U-format videocassette that they have produced during the previous three years.

(3) Each sample film and videotape must be accompanied by a statement explaining its purpose, the sponsor, production medium, the contract price, and/or production cost.

c. Review of Work Samples. Work samples submitted to the Executive Agent will be reviewed and evaluated by the Interagency Audiovisual Review Board (IARB). A minimum of five IARB members must participate in the evaluation of each work sample. The public may attend meetings of the IARB during which sample motion picture and videotape productions are viewed. The public may not, however, be present nor participate in the formal evaluation of the productions.

d. Criteria for Evaluating Work Samples. Films and videotapes reviewed by the IARB will be evaluated on the basis of the following criteria:

(1) Achievement of Purpose(s):

Did the production accomplish its stated purpose?
Was it appropriate for the intended audience?

0-20 Points

(2) Creativity:

Did the production provide a fresh or innovative way of conveying the message? Was the manner of presentation appropriate?

0-20 Points

(3) Continuity:

Did the subject develop in a logical or understandable manner?

0-10 Points

(4) Technical Quality:

Did the following elements, if included in the production, exhibit technical competence?

Direction
Writing
Photography/Camera Work
Editing
Artwork/Animation
Narration/Dialogue
Music and Sound
Special Effects

0-50 Points

e. Obtaining Contracts and Placement on Qualified Producers Lists.

(1) Contracting with the Executive Agent. The Executive Agent will offer contracts to all producers whose films and/or videotapes receive an average composite score of 70 or more from the IARB. The contracts will contain standard provisions covering Government motion picture or videotape work. Orders for production and other work will be awarded under these contracts. The authority for the contracts is this Policy Letter and 41 U.S.C. 252(c)(10).

(2) Placement on the Qualified Lists. Producers who sign contracts with the Executive Agent will be placed on a Qualified Film Producers List (QFPL) or a Qualified Videotape Producers List (QVPL). Producers, who qualify on the basis of motion picture and videotape work samples, may be placed on both lists.

(3) Continuous Qualification. The QFPL and QVPL will remain open and producers may submit work samples to the Executive Agent at any time. Producers whose initial films and/or videotapes do not receive a score of 70 or more may continue to submit samples until they qualify. All samples will be reviewed on a first-in, first-out basis. Producers who initially qualified for the QFPL under the "grandfather arrangement" in Policy Letter 78-5 must still submit a work sample to the Executive Agent within one year of the date of their original contracts.

(4) Removal from the QFPL or QVPL. A producer will remain on the QFPL or QVPL until an agency complains of unsatisfactory work on a specific production or until the producer requests removal. If an agency complains of unsatisfactory work, the IARB will review the production and the complaint. When warranted, the IARB may recommend that the Executive Agent terminate the producer's contract and remove the producer from the QFPL or QVPL. Also, producers not responding to five consecutive solicitations will be asked if they wish to be removed from the list(s).

(5) Structure and Distribution of the QFPL and QVPL. Firms placed on the QFPL or QVPL will not be classified by subject matter or geographic area unless they so request. Copies of the qualified lists will be distributed by the Executive Agent to all using agencies and to persons requesting them.

f. Agencies' Use of QFPL and QVPL.

(1) Contacting the Executive Agent. When an agency is prepared to contract for the production of a motion picture or videotape, the contracting officer will contact the Executive Agent and request the names of a specific number of producers from the QFPL or QVPL. The Executive Agent will furnish names in increments of five. The names furnished will be selected from the QFPL or QVPL on a random number, rotational basis. For every increment of five names requested, the procuring agency may select a maximum of two additional names from the appropriate list. The names provided by the Executive Agent will be placed at the bottom of the list for future use.

(2) Use of Names. The agency will solicit proposals from all firms referred by the Executive Agent and from those appropriately selected by the agency itself. Proposals must be solicited from at least five producers for each requirement (unless a noncompetitive acquisition is justified in accordance with agency regulations). Agencies will determine in light of the specific film or videotape to be produced whether more than five proposals should be solicited. As a general guide, however, agencies should not request more than two increments of producers from the Executive Agent for productions estimated to cost less than \$100,000.

g. Soliciting Proposals.

(1) Use of Solicitation Formats. Agencies shall use the solicitation formats developed by the Federal Audiovisual Committee in soliciting proposals for specific productions. The contracts between the producers on the qualified lists and the Executive Agent contain standard terms and conditions and those terms and conditions will not be repeated in each solicitation or award. The solicitation formats developed by the Federal Audiovisual Committee may be obtained from the Executive Agent.

(2) Two Approaches. When using the solicitation formats obtained from the Executive Agent, agencies must first determine whether scripting will be separated from production. This is a matter of judgment involving two approaches to production. The first approach holds that a clear separation can be made in some instances between scripting and production and that any producer can produce a satisfactory motion picture or videotape production from a completed script. The second approach

holds that production of some films and videotapes (from initial research through treatment, scripting, and production) is a continuous process which requires the continuous involvement of one creative individual from start to finish. Solicitation formats have been developed for each of these approaches and the proper format must be used depending on the approach selected.

h. Scripting Separated from Production.

(1) Obtaining Scripts. When an agency determines that scripting for a particular film or videotape should be separated from production, the agency will obtain and approve a script. Generally, scripts may be obtained directly from writers under existing small purchase procedures.

(2) Obtaining Production Proposals. Once the script has been acquired it will be included in the production specifications and used by the agency in soliciting competitive proposals from the firms on the QFPL or QVPL. Proposals will be solicited in the appropriate format, in accordance with paragraph g.(1) above.

(3) Evaluation Criteria.

(a) Motion picture and videotape production proposals, submitted by producers when scripting has been separated from production, will be evaluated on the basis of:

- Qualifications and relevant experience of proposed production team members.
- Creativity as demonstrated in sample production.
- Technical quality of sample production.

(4) Production Awards. The production award will be made to the responsible producer submitting the best proposal, price and other factors considered.

i. Scripting Included with Production.

(1) Obtaining Treatments. Where scripting is to be included as part of the production effort, agencies will solicit treatment proposals from firms on the QFPL or QVPL. The appropriate solicitation format must be used in accordance with paragraph g.(1) above.

(2) Evaluation Criteria. Proposals for treatments will be evaluated by the agency on the basis of:

- Creativity as demonstrated in sample production and sample treatment.
- Technical quality of sample production.
- Offeror's understanding of the production's purpose and subject matter.

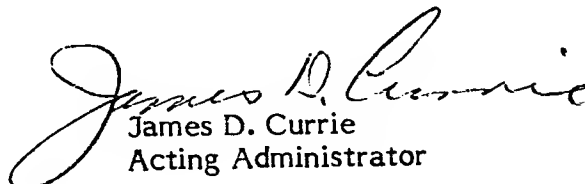
(3) **Awards for Treatments.** Awards for the development of treatments should generally be made to at least two producers submitting proposals. These awards will be made at a preestablished fixed price determined by the agency and included in the solicitation. Subsequent awards for the development of multiple scripts (not treatments) should be made only in unusual cases.

(4) **Production Awards.** The treatments will be evaluated together with technical and price proposals for the production, and the award for the scriptwriting and production work will be made to the responsible producer whose proposal is most advantageous to the Government, price and other factors considered.

j. **Responsibility Determinations.** The evaluation criteria contained in paragraphs h. and i. will be used by agencies in evaluating producer proposals. Agency contracting officers, however, will determine a particular offeror's responsibility prior to making an award. For this purpose, financial and other data may be requested.

8. **Effective Date.** This Policy Letter shall be effective January 1, 1980.

9. **Concurrence.** The Director of the Office of Management and Budget concurs in the issuance of this policy directive.


James D. Currie
Acting Administrator